



## SHIELDALLOY METALLURGICAL CORPORATION

DAVID R. SMITH  
ENVIRONMENTAL MANAGER  
NEWFIELD OPERATIONS

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January 13, 2006

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Mr. Ronald T. Corcory, Assistant Director  
New Jersey Department of Environmental Protection  
Division of Remediation Support  
Oversight Resources Allocation Element  
P.O. Box 028  
401 East State Street  
Trenton, New Jersey 08625-0028

RE: ADMINISTRATIVE CONSENT ORDER, PI#000297  
IN THE MATTER OF THE SHIELDALLOY METALLURGICAL  
CORPORATION SITE AND SHIELDALLOY METALLURGICAL  
CORPORATION and TRC COMPANIES, INC. Respondents

Dear Mr. Corcory:

The purpose of this letter is to lay out the steps that Shieldalloy Metallurgical Corporation (SMC) believes need to be taken in order to finalize and execute the subject Administrative Consent Order (ACO). I have written to USEPA Region 2 requesting that they authorize New Jersey Department of Environmental Protection (NJDEP) to physically surrender to SMC along with a letter instructing the Bank of America to terminate the existing letter of credit<sup>1</sup> upon the posting of financial assurances by SMC and TRC Companies, Inc. (TRC) as specified in paragraphs 59 and 60 of the subject ACO and the execution of the same by SMC, TRC and NJDEP.

SMC is in the process of establishing the Remediation trust fund in the amount of \$600,000 to satisfy paragraph 59 of the ACO. The Remediation trust fund agreement is being drawn up pursuant to N.J.A.C. 7:26C-7.4 and will be sent to your office prior to the

<sup>1</sup> Refinancial assurance posted pursuant to the United States Bankruptcy Court Southern District of New York; In re Chapter 11, Metallurg, Inc. and Shieldalloy Metallurgical Corporation (Debtors) Nos. 93 B 44468 (JLG) and 93 B 44469 (JLG); ordered on March 26, 1997 by U.S. Bankruptcy Judge James F. Garrity, Jr.

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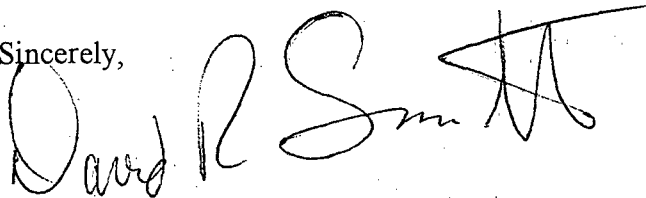
signing of the ACO. To satisfy the requirement of paragraph 60 of the ACO, TRC is intending to use a self-guarantee as the remediation funding source pursuant to N.J.A.C. 7:26C-7.7. TRC will be submitting the self-guarantee application certified in accordance with NJAC 7:26C-1.2(a) to the Department for their review and approval prior to the execution of the ACO.

Once we have submitted, and the Department has approved, the appropriate financial assurances to satisfy paragraphs 59 and 60 of the ACO and upon receipt of USEPA's authorization to instruct the bank to terminate SMC's letter of credit, it would be greatly appreciated if you would schedule a date and time when SMC and TRC could meet with you to sign the ACO.

If there is a different procedure that you feel is appropriate or additional steps are necessary, please let us know. SMC and TRC would like to take this opportunity to thank the members of the Department who have spent a great deal of time and effort to help us get to this point. It will be exciting to see those efforts ultimately result in the expedited remediation of the subject site.

If you should require any additional information from SMC or TRC to expedite the completion of this process, please do not hesitate to contact me. Likewise, if you have any questions, please feel free to call me at (856) 692-4201 extension 226 or e-mail me at [dsmith@shieldalloy.com](mailto:dsmith@shieldalloy.com).

Sincerely,

A handwritten signature in black ink, appearing to read "David R. Smith", with a stylized flourish at the end.

David R. Smith

Cc: Eric J. Jackson, Metallurg, Inc. / SMC  
Barry C. Nuss, Metallurg, Inc.  
Joseph T. Diegel, SMC  
Joseph Seebode, NJDEP-SR  
Donna L. Gaffigan, NJDEP-DRPSR-BFCM  
Dehner Karlen, USEPA Region II - ORC-NJSB  
Carole Petersen, USEPA Region II - ERRD-NJRB  
Trevor Anderson, USEPA Region II - ERRD-NJRB  
Robert C. Smith, TRC  
Martin M. Judge, DBR